

February 10,2003

Kevin Waring, Chairman
Local Boundary Commission
State of Alaska
Anchorage, AK

RE: Unorganized Borough Review - Public response

Dear Local Boundary Commission,

We are concerned citizens of Tok, Alaska. Many of our talking points will be directed to this area as a community to be incorporated into the Upper Tanana Basin Model. First, We want to thank you for the time the commission has taken to receive public comment. We agree there was not sufficient time given to receive, interpret and respond to the report. We feel that commission did what it could, given instructions from the legislature. It was the legislature that put the time constraint on all and to what appears an attempt try and circumvent a timely public process on the issue. So thank you for what you did allow.

We am not totally opposed the being in a borough and not opposed to paying my fair share. But, there still is a vast amount of information that needs to be addressed before we would say that we are ready for this big step.

Although from what we have read in the current report there appears to be sufficient reason to incorporate and not to incorporate. The report is not as thorough as the prior reports that the commission has done, such as the Delta-Greeley Report-1989, Copper River Basin –1989, and the Tanana Chiefs Region-1989.

The report does not address exactly what lands will be available to the boroughs, where the borough seat will be and how all the communities will be represented fairly.

The report does not address any checks and balances that once we are formed, we could substantiate life after the initial phases without additional taxes if the pipeline would be shut down.

The report does not address how legislators would increase such things as funding for better roads and police protection. Currently we have no control of obtaining fair funding in rural areas for critical State agencies such as DOT and DPS. Most of the monies and manpower for these agencies are still given to the incorporated areas. How do we fight the ever-growing drug problems in our rural communities when DPS has all but shut down funding for drug enforcement and what funding there is, remains in the organized areas. LBC report addresses the issues of alcohol control, but not drugs.

How is the state going to implement plans to allow and increase development of natural resources that would benefit boroughs without federal control? As of this date more monies are spent on wildlife protection and environment protection than is spent on the human element.

According to your figure the unorganized borough contains an estimated 374,843 square miles-57 percent of the total area of Alaska. The one thing that the State of Alaska has failed to consider in the plan since statehood and the Mandatory Borough Act is the impact that Alaska National Interest lands Conservation Act (ANILCA) has had on the unorganized areas. I would like to know exactly how much non-native, State land or federal land will be accessible to each new Borough. Just in the Tok area, Ahtna Incorporated (Mentasta) received 69,120 acres, Northway Village 115,200 acres, Tanacross-92, 160 acres and Tetlin is 743,159,22 acres.

Under ANCSA 14(c)(3), villages must reconvey surface estates to the local city government to provide for community use and expansion, but is this really going happen?

Prior to 1991 amendments, forming boroughs represented a major threat to the lands retained by the Native people under the Alaska Native Claims Act (ANCSA). Historically, nationwide, native lands have been lost because of taxes. Much of the native land received by ANCSA does not produce any revenue and many village corporations' lands would be lost through tax foreclosure by any form of local government.

Congress did enact amendments to the ANCSA which continued tax exemptions for the Native undeveloped corporate lands indefinitely by 1991, but this does not mean that it cannot be repealed somewhere in the future?

How would the issue of native village council's government be address in boroughs?

ANILCA created new conservation system units in Alaska totaling more than 150 million acres. This represents 40 percent of the entire State land area and more than a third of these lands, or 57 million acres has already been set aside as Wilderness Designations. The past reviews were completed in 1980 and no President since has made a recommendation on release. Once an area is identified for wilderness, or wild and/or scenic river studies, BLM manages it. The entire study area remains under BLM's control until Congress acts to release it.

Just outside of Tok towards Glenallen, Wrangell - St Elias, the largest unit of the National Park System, was established as a national park and preserve Dec. 2, 1980. It was Wilderness designated Dec. 2, 1980, and designated a World Heritage Site on Oct. 24, 1979. This is not even Alaska land anymore.

Once again BLM is requesting to close down more land in Alaska for wilderness reviews. This is currently under Federal review. The last President, on his way out closed down many of our logging operations in South East Alaska because of the federal lands issue.

Tok is boxed in on all sides by Tanacross, Tetlin, and Mentasta land. Also, there are mental health lands that surround us. Where do we grow to for any future commercial/ economic development?

In your report you addressed the year 2000 census for the purpose of justifying Boroughization. In that regard, as a census supervisor, I would like to address Tok's census figures.

Tok's population is 1,393 with 821 people of the working age 18-62. Of these, 518 are employed. The number of unemployed Adults in the community seeking work is 366. Of the ones working, 268 are private wage workers, 82 are self-employed and 153 are government workers (state & federal). Of those most are teachers.

There should be databases within the State that shows how many people are Receiving State aids within each of these communities. That would very helpful in considering taxation and community income.

The total number of housing units in Tok are 748. Of those, 534 are occupied. 20.6 percent lack complete inside plumbing and 21 percent lack complete kitchens, stoves, or running water. The average cost of housing was estimated at \$76,000.00. Census takers are not authorities on home values, but rather are trained to ask questions and record answers. The census people just wrote down what they what told. This is not a fair market value of real estate for the area if you were considering appraising these homes for taxes for the purpose of Borough taxation. These figures only get worse in the surrounding communities, except for Delta Jct..

Tok's current power rates are the most expensive in the State, at 23-29 cents per kilowatt. The State's Power Equalization Cost paying less than half of what we are being charged for fuel rate on power. Local businesses receive no PEC discount. How does a community entice new business into the area when exorbitant power rates exist there? Any good businessman will look at costs and the labor market before moving into an area.

Chapter three of the report states that Boroughs would get:

1. State Revenue Sharing funds
2. National Forest receipts would then go to the borough instead of the REAA.
3. Payment in lieu of taxes, Delta and Eagle split the monies that are received.
4. Safe Community Program would be an extra.
5. Fisheries Business Tax, we are a non-fishery area.
6. Fisheries landing Tax, we are a non-fishery area.
7. Alaska Coastal Management, are we a coastal district?
8. Capital Matching Grants, would then go the borough not the communities.

We, the communities currently receive funds from most of these eight programs in small portions, as do each of the native community councils. Would the amount of revenues

currently being received from these programs change from what each community is receiving now?

Is there a plan that will ensure that each community will receive at least as much funding as it does now, after Boroughization? What redress does a small community have if the distant Borough seat re appropriates it's meager funding?

The Legislature says that the State is in a financial crisis at present. Each new Borough is to receive \$600,000.00 in State funds over three years, to organize. The major purpose of Boroughization is for the Boroughs to pay 30% of its school costs. How would the few dollars that Borough taxes could raise in rural areas make up for the cost the state is mandated to pay each borough to form?

Reasonable utilities, and other business related expenses along with natural resource development should be explored and rectified prior to Borough organization.

In one of the chapters I read about the amount of monies that is put into the permant fund vs the monies that are put into education. Numerous States and indeed, Countries worldwide have organized lotteries. Successful lotteries pay for education, and several other needed public functions. There are those who oppose "gambling". To them I say, "They are not obligated to participate". There are also those, especially in our rural areas who simply cannot afford to pay property tax. Indeed, such a tax will mean that these people (many of whom are our beloved veterans) will lose their property to the Borough. They will then be homeless. And this, without a choice. One only has to look at the revenues that some non-profits currently receive from pull-tabs.

Thank you listening to us.

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